

Table 16a

**Strategic importance of merging with or acquiring other companies, by selected company characteristics and innovation status: 2001**

(Frequency)

Characteristic	Total	Importance			Nonresponse
		No or little	Moderate	Great	
All companies.....	72,400	36,700	25,300	9,800	700
IT.....	9,700	3,900	3,900	1,700	S
Manufacturing.....	3,000	1,400	1,100	500	S
Communication.....	1,600	500	700	400	S
Computer related services.....	5,100	2,100	2,100	800	S
Non-IT.....	62,700	32,700	21,400	8,000	S
Manufacturing.....	39,300	21,900	12,400	4,600	S
Transportation & public utilities.....	8,500	3,900	3,300	1,200	S
Finance, insurance & real estate.....	11,900	5,600	4,400	1,800	S
Engineering & AAB services.....	2,900	1,300	1,200	400	S
By revenue size					
\$2.5M to \$4.9M.....	26,500	15,100	7,700	3,600	S
\$5M to \$9.9M.....	17,800	8,300	7,000	2,400	S
\$10M to \$24.9M.....	16,100	9,200	5,200	1,500	S
\$25M to \$50M.....	6,000	2,300	2,600	900	S
Above \$50M.....	5,900	1,800	2,800	1,400	0
Innovators <sup>1</sup> .....	34,400	15,800	13,300	4,900	S
IT.....	7,000	2,700	2,800	1,300	S
Manufacturing.....	1,500	600	600	300	S
Communication.....	1,200	300	500	300	S
Computer related services.....	4,300	1,800	1,700	700	S
Non-IT.....	27,400	13,100	10,400	3,600	S
Manufacturing.....	15,300	8,200	5,200	S	S
Transportation & public utilities.....	3,700	1,300	1,700	600	S
Finance, insurance & real estate.....	6,900	2,900	2,900	1,000	S
Engineering & AAB services.....	1,500	600	600	300	S
By revenue size					
\$2.5M to \$4.9M.....	11,400	5,800	3,900	1,600	S
\$5M to \$9.9M.....	8,100	3,600	3,000	1,500	S
\$10M to \$24.9M.....	7,700	3,800	3,000	800	S
\$25M to \$50M.....	3,500	1,300	1,700	S	S
Above \$50M.....	3,700	1,300	1,800	600	0
Noninnovators <sup>1</sup> .....	37,000	20,200	11,700	4,800	S
IT.....	2,600	1,200	1,000	400	S
Manufacturing.....	1,500	700	500	S	S
Communication.....	400	200	200	S	S
Computer related services.....	800	S	400	S	0
Non-IT.....	34,300	19,000	10,600	4,400	S
Manufacturing.....	23,500	13,300	7,000	3,000	S
Transportation & public utilities.....	4,600	2,500	1,600	S	S
Finance, insurance & real estate.....	4,800	2,600	1,500	S	0
Engineering & AAB services.....	1,400	600	600	200	S
By revenue size					
\$2.5M to \$4.9M.....	14,400	8,800	3,500	2,000	S
\$5M to \$9.9M.....	9,500	4,600	4,000	900	S
\$10M to \$24.9M.....	8,400	5,300	2,200	S	S
\$25M to \$50M.....	2,500	1,100	S	S	S
Above \$50M.....	2,200	S	1,000	S	0

<sup>1</sup> Breakdowns by innovation exclude 32 cases, representing 1,100 companies, in which innovator status could not be determined. To be classified as an innovator, the company had to indicate that it had developed a product or process in the past 12 months or believed it would develop a product or process in the next 12 months as a result of IT-based innovation. The survey was conducted during the period July 2001–April 2002.

**KEY:** IT=information technology; AAB=accounting, auditing, bookkeeping; S=suppressed for reasons of reliability due to receiving less than 20 responses

**NOTES:** Responses are to question 4f: "On a scale of 1 to 10, where 1 is not at all important and 10 is extremely important, how important is merging with or acquiring other companies for your company's growth strategy?" The category "No or little importance" represents a response of 1, 2, or 3 to this question. The category "Moderate importance" represents a response of 4, 5, 6, or 7 to this question. The category "Great importance" represents a response of 8, 9, or 10 to this question. Total nonresponse consists of item nonresponse and don't know responses.

IT is defined as the hardware and software that support the production or use of computer-based information systems, the infrastructure necessary to access such information systems, or data processing services. Companies are classified as IT or Non-IT based on their 4-digit SIC number. IT Manufacturing includes companies with SICs of 3571-3579, 3651, 3661-3679, 3695, 3823-3826. IT Communication includes companies with SICs of 4812-4822, 4832, 4833, 4841-4899. IT Computer related services includes companies with SICs of 7371-7379. Non-IT Manufacturing includes companies with SICs of 2011-3569, 3581-3648, 3652, 3691-3694, 3699-3822, 3827-3999. Non-IT Transportation & public utilities includes companies with SICs of 4011-4231, 4412-4789, 4911-4971. Non-IT Finance, insurance & real estate includes companies with SICs of 6011-6036, 6081-6153, 6159, 6162-6799. Non-IT Engineering & AAB services includes companies with SICs of 8711, 8721.

**SOURCE:** National Science Foundation, 2001 Information Technology Innovation Survey.